Revival of Hindustan Cables Ltd.

1284. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of INDUSTRY be pleased to state:

(a) whether a decision has been taken, as reported, to revive the Hindustan Cable Limited through financial restructuring;

(b) if so, the salient features of the same;

(c) whether any guidelines have been issued for even distribution of orders between Rupnarainpur and Hyderabad units;

(d) if so, the details of the same; and

(e) if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) Yes, Sir.

(b) The salient features of the same are as under:—

1. Non-plan Budgetary support in the form of equity of Rs. 75 crores towards partial reimbursement of cash losses.
2. Assistance in the form of grant of Rs. 40 crores in 1998-99 and Rs. 28 crores during 1999-2000 for implementation of VRS, subject to revision as per new scheme which the Govt. may announce.
3. Capital resturcturing involving the following:

   (A) Conversion of outstanding Govt. loan of Rs. 167.12 crores (as on 1.10.1998) into equity.

   (B) Waiver of outstanding interest on Govt. Loan amounting to Rs. 109 crores as on 1.10.1998.

   (C) Waiver of interest of Rs. 13.66 crore accrued on Danida Grant.
4. To provide Government Guarantee to HCL for raising Rs. 35 crores by way of bond/commercial loan from Financial Institutions/Banks/Trusts/ Corporate Bodies etc., for a period of six years with exemption from guarantee fee.
5. Extension of Government Guarantee for Rs. 112 crore with exemption guarantee fee in favour of banks covering the overdrawal of the cash credit account for a period of four year upto 31.3.2003 on yearly basis, and also exemption from guarantee fee from October, 1996 to June, 1999. The guarantee fee required to be waived is Rs. 9.23 crores.
6. Reservation of orders of annual requirement of telecom cables of DOT/MTNL in favour of HCL 30% in the first year and 25% in the second year, along with advance of 50% gross value as available to ITI & HTL. The policy of reservation of orders will be reviewed thereafter, as directed by the Cabinet.

(c) to (e) Government have not laid down any such guidelines. This is a decision which the management of the Company has to take keeping in view factors such as end-use zone, delivery schedule etc.

Irregularities in PSUs

1285. SHRI JALALUDIN ANSARI:
SHRI GAYA SINGH:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "A Minar of shame; How PSUs drained 150 crores published" in "The Hindustan Times" dated 4th February, 1999; and

(b) if so, the details thereof and Government's reaction thereto?